

MSE conducts bond trading workshops for commercial bank dealers



File photo: Similar training that was conducted with stockbrokers- Mr. Douglas D Nyirenda (standing) conducting the training

The Malawi Stock Exchange has taken a step forward to promote trading activity on the debt market by embarking on a project of incorporating commercial bank dealers as participants in the Automated Trading System (ATS) for debt trading. The initiative aligns with the recommendation that was provided under the Committee of SADC Stock Exchanges (COSSE) for SADC governments to utilise Exchange structures for trading of bonds in the secondary market, without changing the current role of Central Banks and Treasuries legal mandate.

The project began with consultations with the Commercial Bank dealers which culminated into a series of training workshops. The turn up to the training workshops was good and saw all but one commercial bank participating. The training was fruitful in that some of the commercial banks are now already officially participants of the ATS with rights to trade on the debt market. This new development will help to establish the secondary market on the Malawi Stock Exchange leading to improved liquidity on the debt platform. A relatively significant number of Malawians hold bank accounts and the Exchange is hopeful that commercial banks will take a leading role in sensitizing their clients to also make financial investments through trading on the Malawi Stock Exchange. The minimum amount to participate and invest in bonds is only K1,000.00.